

350.1 Land.

This account shall include the cost of lands held in fee on which underground storage wells are located, and other lands held in fee within an area utilized for the underground storage of gas. (See gas plant instruction 7-G.)

350.2 Rights-of-way.

This account shall include the cost of all interests in land which do not terminate until more than 1 year after they become effective and on which are located underground storage lines, telephone poles lines, and like property used in connection with underground gas storage operations. (See gas plant instruction 7.)

351 Structures and improvements.

A. This account shall include the cost in place of structures and improvements used wholly or predominantly in connection with underground storage of natural gas. (See gas plant instruction 8.)

B. This account shall be subdivided as follows:

- 351.1 Well structures.
- 351.2 Compressor station structures.
- 351.3 Measuring and regulating station structures.
- 351.4 Other structures.

352 Wells.

This account shall include the drilling cost of wells used for injection and withdrawal of gas from underground storage projects, including wells kept open and used for observation.

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Drilling:

- 1. Clearing well site.
- 2. Hauling, erecting, dismantling, and removing boilers, portable engines, derricks, rigs, and other equipment and tools used in drilling.
- 3. Drilling contractors' charges.
- 4. Drive pipe.
- 5. Fuel or power.
- 6. Labor.
- 7. Rent of drilling equipment.
- 8. Water used in drilling, obtained either by driving wells, piping from springs or streams, or by purchase.
- 9. Hauling well equipment.
- 10. Shooting, fracturing, acidizing.

Equipment:

- 11. Bailing equipment.

12. Boilers and drives permanently connected.

13. Casing.

14. Derrick.

15. Fence, when solely an enclosure for equipment.

16. Fittings, including shut-in valves, bradenheads and casing heads.

17. Packing.

18. Tank, oil or water, etc.

19. Tubing.

352.1 Storage leaseholds and rights.

A. This account shall include the cost of leaseholds, storage rights, mineral deeds, etc. on lands for the purpose of utilizing subsurface reservoirs for underground gas storage operations. (See gas plant instruction 7-G.)

B. Exclude from this account rents or other charges paid periodically for use of subsurface reservoirs for underground gas storage purposes.

NOTE: Items such as buildings, wells, lines, equipment and recoverable gas used in storage operations acquired with land or storage leaseholds and rights are to be classified in the appropriate accounts.

352.2 Reservoirs.

This account shall include costs to prepare underground reservoirs for the storage of natural gas.

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- 1. Geological, geophysical and seismic costs.
- 2. Plugging abandoned wells.
- 3. Fuel and power.
- 4. Drilling and equipping fresh water wells, disposal wells, and solution wells.
- 5. Leaching of salt dome caverns.
- 6. Rentals on storage rights and leases incurred during construction and development period.
- 7. Gas used during the development period.
- 8. Costs incident to maintaining covenants of production leaseholds during the period required to convert them to storage leaseholds.
- 9. Other rehabilitation work.

352.3 Nonrecoverable natural gas.

A. This account shall include the cost of gas in underground reservoirs, including depleted gas or oil fields and other underground caverns or reservoirs used for the storage of gas which will not be recoverable.